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In The

Supreme Court of the United States

October Term, 1997

ROBERT DOMENICK, MAGNETIC RESONANCE PLUS, INC.,

Petitioners,

v.

FONAR CORPORATION,

Respondent.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether a computer software copyright holder must inform a court and the defendant as to what elements of its computer software it considers protectable under copyright laws.

2. Whether the Second Circuit's failure to construe applicable regulations as to whether a computer program was properly registered, and the Second Circuit's complete deference to the Copyright Office's interpretation of such regulations, was an unconstitutional violation of the separation of powers.

3. Whether the Second Circuit's rejection of the judicial estoppel doctrine – not yet ruled upon by this Court – and its holding that a litigant may change its positions on appeal and argue something different from that which was argued for by the litigant and adopted by the district court conflicts with decisions of other circuits and previous decisions of the Second Circuit.

LIST OF PARTIES AND RULE 29.1 LIST

The parties to the proceedings below were Fonar Corporation, Magnetic Resonance Plus, Inc. and Robert Domenick.

Petitioner Magnetic Resonance Plus, Inc. has no parent or subsidiaries to list pursuant to Rule 29.1.

TABLE OF CONTENTS

Page

QUESTIONS PRESENTED i

LIST OF PARTIES AND RULE 29.1 LIST ii

TABLE OF AUTHORITIES iv

OPINIONS BELOW 1

JURISDICTION 1

FEDERAL PROVISIONS INVOLVED 1

STATEMENT OF THE CASE 3

REASONS FOR GRANTING THE WRIT 7

Summary of Argument 7

I. Certiorari Should Be Granted In Order to Resolve Ambiguity On the Issue of Whether A Copyright Holder Must Inform A Court and The Defendant as to What Elements of Its Computer Program it Considers Protectable 9

II. Certiorari Should Be Granted In Order to Resolve a Conflict in the Circuits as to Whether a Copyright Application and Deposit are Reviewable for Compliance With Applicable Regulations 14

III. Certiorari Should be Granted in Order to Resolve Conflicts Among the Circuits as To Whether Litigants May Assert an Inconsistent Position on Appeal After the Earlier Position Was Argued and Adopted by the Lower Court, A Question Never Resolved by this Court 17

CONCLUSION 20

TABLE OF AUTHORITIES

Page

CASES

Arkansas v. Oklahoma, 503 U.S. 91 (1992) 16

Atari Games Corp. v. Oman, 888 F.2d 878 (D.C. Cir. 1989) (Ginsberg J.) 15

Bates v. Long Island R.R., 997 F.2d 1028 (2d Cir.), *cert. denied*, 114 S. Ct. 550 (1993) 19

Carol Barnhart, Inc. v. Economy Cover Corp., 773 F.2d 411 (2d Cir. 1985) 14

Celotex Corp. v. Catrett, 477 U.S. 317 (1986) 9

Chrysler Credit Corp. v. Country Chrysler, Inc., 928 F.2d 1509 (10th Cir. 1991) 18

Computer Associates Int'l v. Altai, Inc., 982 F.2d 693 (2d Cir. 1992) 8, 13

Data Gen. Corp. v. Grumman Sys. Support Corp., 36 F.3d 1147 (1st Cir. 1994) 16, 17

Durham Industries, Inc. v. Tomy Corp., 630 F.2d 905 (2d Cir. 1980) 14

Feist Publications v. Rural Tel. Serv. Co., 499 U.S. 340 (1991) 9

Fonar Corp. v. Deccaid Services, Inc., 983 F.2d 427 (2d Cir. 1993), *cert. denied*, 510 U.S. 917 (1993) 4, 5, 6, 7, 10

Gates Rubber Co. v. Bando Chem. Indus., 9 F.3d 823 (10th Cir. 1993) 12

Grundberg v. Upjohn Co., 137 F.R.D. 372 (D. Utah 1991) 15

John Muller & Co., Inc. v. New York Arrows Soccer Team, 802 F.2d 989 (8th Cir. 1986) 15

TABLE OF AUTHORITIES – Continued

Page

Lotus Dev. Corp. v. Borland Int'l, Inc., 49 F.3d 807 (1st Cir. 1995), *aff'd, by an equally divided court*, 116 S. Ct. 804 (1996) 7

Lowery v. Stovall, 92 F.3d 219 (4th Cir. 1996), *cert. denied*, 117 S. Ct. 954 (1997) 18, 19

Markowski v. SEC, 34 F.3d 99 (2d Cir. 1994) 16

Masquerade Novelty v. Unique Indus., 912 F.2d 663 (3d Cir. 1990) 16

MiTek Holdings Inc. v. ARCE Eng'g Co., 89 F.3d 1548 (11th Cir. 1996) 11, 12

Southern Pac. Transp. Co. v. ICC, 69 F.3d 583 (D.C. Cir. 1995) 18

United States v. Bonds, 12 F.3d 540 (6th Cir. 1993) 19

United States v. McCaskey, 9 F.3d 368 (5th Cir. 1993), *cert. denied*, 511 U.S. 1042 (1994) 19

Williams Electronics, Inc. v. Arctic Int'l, Inc., 685 F.2d 870 (3d Cir. 1982) 15

Young v. United States Dep't of Justice, 882 F.2d 633 (2d Cir. 1989), *cert. denied*, 493 U.S. 1072 (1990) 19

STATUTES & REGULATIONS

17 U.S.C. § 191 5

17 U.S.C. § 410(c) 1, 2, 14, 17

17 U.S.C. § 411(a) 16

28 U.S.C. § 1338 5

37 C.F.R. § 202.3(b)(3) 1, 3, 17

Federal Rule of Civil Procedure 56(b) 1, 3

TABLE OF AUTHORITIES – Continued

Page

Books

James W. Moore, *Moore's Federal Practice* § 134.30 (3d Ed. 1997) 18

Petitioners Magnetic Resonance Plus, Inc. and Dr. Robert Domenick respectfully pray that a writ of *certiorari* issue to review the judgment and opinion of the United States Court of Appeals for the Second Circuit in this case.

OPINIONS BELOW

The opinion of the court of appeals is reported at 105 F.3d 99 and is reprinted in the appendix attached at 1. The opinion of the district court is reported at 920 F. Supp. 508 and is reprinted in the appendix attached at 18.

JURISDICTION

The court of appeals entered its judgment on January 24, 1997. The court of appeals denied a timely petition for rehearing and suggestion for rehearing *en banc* on April 3, 1997.

The jurisdiction of this Court is invoked under 28 U.S.C. Section 1254(1).

FEDERAL PROVISIONS INVOLVED

The federal provisions involved are 17 U.S.C. Section 410(c), 37 C.F.R. Section 202.3(b)(3) and Federal Rule of Civil Procedure 56(b). The text of these provisions is set forth verbatim below.

In any judicial proceedings the certificate of a registration made before or within five years after first publication of the work shall constitute prima facie evidence of the validity of the copyright and of the facts stated in the certificate. The evidentiary weight to be accorded the certificate of a registration made thereafter shall be within the discretion of the court.

17 U.S.C. § 410(c).

Registration as a Single Work. (i) For the purpose of registration on a single application and upon payment of a single registration fee, the following shall be considered a single work:

(A) In the case of published works: All copyrightable elements that are otherwise recognizable as self-contained works, that are included in a single unit of publication, and in which the copyright claimant is the same; and

(B) In the case of unpublished works: all copyrightable elements that are otherwise recognizable as self-contained works, and are combined in a single unpublished "collection." For these purposes, a combination of such elements shall be considered a "collection" if:

(1) The elements are assembled in an orderly form;

(2) The combined elements bear a single title identifying the collection as a whole;

(3) The copyright claimant in all of the elements, and in the collection as a whole, is the same; and

(4) All of the elements are by the same author, or, if they are by different authors, at least one of the authors

has contributed copyrightable authorship to each element.

37 C.F.R. § 202.3(b)(3).

A party against whom a claim, counterclaim, or cross-claim is asserted or a declaratory judgment is sought may, at any time, move with or without supporting affidavits for a summary judgment in the party's favor as to all or any part thereof.

Federal Rule of Civil Procedure 56(b).

STATEMENT OF THE CASE

Fonar is a New York corporation that manufactures, sells and maintains magnetic resonance imaging ("MRI") scanners. MRI scanners are complex machines used for various medical diagnostic purposes. (App. at 2, 3). In connection with the maintenance of its MRI scanners, Fonar has developed what it terms "Maintenance Software" to assist technicians in diagnosing and repairing problems with the scanners. (App. at 3).

Magnetic Resonance Plus, Inc. is a California corporation founded by co-petitioner Dr. Robert Domenick (petitioners will be collectively referred to as "MR Plus"). MR Plus is an independent service organization ("ISO"), meaning that it maintains and repairs equipment it does not manufacture. (App. at 4). Among the machines serviced by MR Plus are the Fonar-manufactured MRI scanners. (App. at 4). MR Plus thus competes with Fonar in providing maintenance for Fonar MRI scanners.

In July of 1991, Fonar submitted the Maintenance Software for copyright registration. (App. at 3). In addition to its registration statement, Fonar submitted sixty-three pages of computer source code as its copyright deposit. (App. at 14).

After registering the Maintenance Software for copyright protection, Fonar commenced copyright infringement litigation against Deccaid Services, Inc. ("Deccaid"), another ISO that has competed with Fonar for the business of maintaining Fonar MRI scanners. (App. at 8). *See Fonar Corp. v. Deccaid Services, Inc.*, 983 F.2d 427, 427 (2d Cir. 1993), *cert. denied*, 510 U.S. 917 (1993). In the *Deccaid* suit, the lower court issued a preliminary injunction enjoining Deccaid from using the Maintenance Software. *Id.*, 983 F.2d at 429. The Second Circuit reversed, holding that Fonar's definition of the Maintenance Software was insufficiently specific and detailed to support the grant of the injunction. (App. at 8). The Second Circuit found that in the absence of such specificity and description, Deccaid was without proper notice as to what was covered by Fonar's copyright and therefore what it was enjoined from:

> Throughout, Fonar has adhered to the most elusive of definitions and has refused repeatedly to provide the documents that would narrow and clarify the issue. . . . Fonar's . . . 'Maintenance Software' was defined as 'all software other than operational software . . . , including but not limited to, 'diagnostic and maintenance software', 'field engineering utilities software' and 'editors and utilities software'. Notably, [Fonar does] not define 'operational software'. . . . Even the copyright deposit does not contain a table of

> contents, program menu, or any other complete listing of the protected programs.

Deccaid, 983 F.2d at 429.

Shortly after the *Deccaid* decision, Fonar commenced the instant suit against MR Plus. (App. at 4). Invoking jurisdiction under 17 U.S.C. Section 191 and 28 U.S.C. Section 1338, Fonar's complaint alleged copyright infringement and state-law unfair competition on the part of MR Plus with respect to the Maintenance Software. (App. at 4). In its complaint, Fonar defined the Maintenance Software *exactly* as it had in the *Deccaid* suit. (App. at 8).

After two years of discovery and shortly before trial, MR Plus moved, *in limine*, to dismiss Fonar's claims on the ground that Fonar had failed to describe and define the Maintenance Software with sufficient particularity to support a claim for infringement. (App. at 4). The district court converted the motion into one for summary judgment, directing submission of additional papers. (App. at 5).

On March 27, 1996, the district court granted MR Plus summary judgment and dismissed Fonar's copyright infringement and related state-law claim. (App. at 18). In its opinion, the district court held that Fonar had neither properly registered the Maintenance Software under applicable regulations nor adequately identified the Maintenance Software, and therefore, was not entitled to the usual presumption of copyright validity afforded by a copyright certificate. (App. at 42).

Specifically, the district court found that Fonar failed to comply with regulations regarding (1) identification of

the work; and (2) registration of the work as a collection. (App. at 42).

The district court went on to find

> as a matter of law that the cryptic definition of the Maintenance Software upon which plaintiff relies, which fails to indicate that the work is copyrightable in any way, is insufficient to serve as a basis for the instant copyright action.

(App. at 42).

Finally, the district court found that:

> Plaintiff's self-serving and cryptic definition failed to serve any legitimate function after the filing of the complaint in the instant suit other than to frustrate the defendants' and the court's efforts to narrow the issues for trial. This definition fails in any way to identify and distinguish the elements of the work that would not otherwise fall outside the protections offered under the copyright laws.

(App. at 42, n.19).

The court of appeals vacated the district court's opinion, finding that the district court failed to give sufficient weight to the presumption of validity that attaches to a certificate of copyright registration. (App. at 12-13). The court of appeals did recognize that the definition of Maintenance Software was "flawed and unhelpful." (App. at 9). However, it found that the concerns raised in *Deccaid* were not determinative because the definition was "not the basis of any prohibitions on the conduct of [MR Plus]." (App. at 9).

The court of appeals, permitting Fonar to change its factual position as to whether it registered the Maintenance Software as a collection or a single work (App. at 15), stated that Fonar "appears" to have complied with the identification and registration requirements for the software. (App. at 14). However, the court of appeals deferred to the Copyright Office, stating that it was content to leave such decisions "to the judgment, expertise, and practices of the Copyright Office." (App. at 14).

REASONS FOR GRANTING THE WRIT

Summary of Argument

The state of copyright law as it applies to computer software is unsettled. Instruction from this Court is necessary to clarify this area, particularly since this Court was equally divided in *Lotus Dev. Corp. v. Borland Int'l, Inc.*, 49 F.3d 807 (1st Cir. 1995), *aff'd, by an equally divided court*, 116 S. Ct. 804 (1996).

Because of the highly specific and technical nature of modern computer technology, courts should adopt a pragmatic approach that requires software copyright plaintiffs to articulate lucid and specific descriptions of their works, and portions of those works, that they consider to be protectable. The court of appeals' decision, however, rejects this approach, despite the fact that it had accepted such an approach in its earlier *Deccaid* decision. Some circuits, including the Tenth and Eleventh, have endorsed such an approach. The district court in this action followed such an approach, requiring Fonar – after the presumption of the validity of its copyright was

rebutted – to identify and describe its "Maintenance Software" with sufficient particularity to indicate that the work was copyrightable in some way.

The court of appeals' decision also departed from its previous landmark decision in *Computer Associates Int'l v. Altai, Inc.*, 982 F.2d 693, 704 (2d Cir. 1992), which held that because of the "essentially utilitarian nature" of computer programs, such programs should be subject to rigorous scrutiny to determine what portions, if any, are protectable.

A writ of *certiorari* should issue to resolve these differing approaches and to provide lower courts with guidance on the legal rights and protections afforded to computer software programs under the copyright laws.

Moreover, in its wholesale deference to the Copyright Office, the court of appeals abdicated its responsibility to construe copyright laws and regulations regarding registration of computer software for copyright protection. In this respect, the court of appeals' ruling is error. It is also inconsistent with the law of other circuits. A writ of *certiorari* should issue to correct this error and set forth a clear and consistent standard for courts to employ in reviewing decisions of the Copyright Office.

Finally, the court of appeals improperly permitted Fonar to change its position and argue something factually different on appeal from that which was argued by Fonar and adopted by the district court. In this respect, the court of appeals' ruling conflicts with both decisions of other circuits and previous decisions of the Second Circuit. This important issue is one of first impression for this Court. A writ of *certiorari* should issue to resolve the

proper boundaries and rules of the judicial estoppel doctrine. Indeed, the judicial estoppel problem relates to the first problem mentioned above – the unsettled state of copyright law as it applies to computer programs – because such an unsettled state encourages litigants to change positions. Such changes are detrimental to the integrity of the courts and of the legal profession.

I. Certiorari Should Be Granted In Order to Resolve Ambiguity On the Issue of Whether A Copyright Holder Must Inform A Court and The Defendant as to What Elements of Its Computer Program it Considers Protectable.

At the summary judgment stage of litigation, "the plain language of Rule 56(c) mandates the entry of summary judgment . . . against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial." *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). In order to maintain a copyright infringement claim, a plaintiff is required to establish two essential elements: (1) that it owns a valid copyright in a work; and (2) that the defendant copied the copyrighted work. *Feist Publications v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991).

The district court found that Fonar "failed to describe its purportedly copyrighted [Maintenance Software] in such a way that would reveal the substance of the protected work," thereby precluding Fonar from being able to raise a genuine issue of material fact in relation to the two basic elements of its copyright action. (App. at 19).

The district court reached this conclusion based on a number of deficiencies on the part of Fonar which caused Fonar to lose the presumption of validity attaching to its copyright registration. First, the district court found – as the Second Circuit did in *Deccaid* – that Fonar's definition of "Maintenance Software," as used in the pleadings and as argued at the summary judgment stage, was circuitous. Fonar defined "Maintenance Software" as "all software other than operational software" but did not define "Operational Software." Moreover, the district court found that the definition of "Maintenance Software" contained internal contradictions because Fonar witnesses admitted that there were elements contained in the "Maintenance Software" that were neither "Operational Software" nor copyrighted as part of the "Maintenance Software." (App. at 22-23).

Second, the district court found that Fonar had failed, indeed refused, to provide a list of the programs contained in the Maintenance Software. (App. at 22). In fact, even though Fonar had prepared such a list of programs, Fonar did not believe that it was appropriate to produce this list of programs during discovery, in the pretrial order or even at trial. (Joint Appendix filed with the Second Circuit on Aug. 7, 1996 ("J.A."), at 223-24, 241-42). Fonar instead stated that it would produce the list only after trial for the purpose of an injunction! (J.A. at 223).

Third, the district court found, as the court of appeals had in *Deccaid* (983 F.2d at 429), that the copyright deposit did not contain a table of contents, program menu, or any other complete listing of the protected programs that would illuminate the definition of Maintenance Software or the material included therein. (App. at 39).

Finally, the district court found that Fonar had repeatedly refused to provide information or explanations which would narrow and clarify the issue of what constituted Maintenance Software:

> Even though plaintiff has had every opportunity to supplement the definition of the software which is the subject of this action . . . plaintiff has not departed in any significant way from the original definition contained in the complaint.

(App. at 23).

Thus, the district court concluded that there was nothing in the record to identify the specific computer programs which comprise the allegedly protected Maintenance Software. Therefore, the district court granted summary judgment in MR Plus's favor.

In reversing the district court's decision, the court of appeals effectively ruled that a copyright plaintiff need not specify the protectable programs or elements of its work, as that issue is presumably evaluated by the Copyright Office at registration. (App. at 13-14). There are three problems with the court of appeals' ruling.

First, it is at odds with the approach followed by at least two other circuits. The Eleventh Circuit, in *MiTek Holdings Inc. v. ARCE Eng'g Co.*, stated that "the best approach for a district court in any computer program infringement case, whether involving literal or nonliteral elements is for it to require the copyright owner to inform the court as to aspects of elements of its computer program it considers to be protectable." 89 F.3d 1548, 1555 (11th Cir. 1996).

The approach favored in *Mitek* is the precise approach taken by the district court in this action. Not only did Fonar fail to inform the district court or MR Plus as to what elements of its computer programs it considered to be protectable, it did not even see fit to identify or describe the computer programs themselves.

In *Gates Rubber Co. v. Bando Chem. Indus.*, the Tenth Circuit held that a plaintiff "must establish copying of *precisely identified protected elements of a program* before copyright infringement can be established." 9 F.3d 823, 833 (10th Cir. 1993). Again, Fonar prepared a list of the allegedly protected programs but refused to produce it to the Court. (J.A. at 223-24, 241-42).

Second, the court of appeals' ruling permits a plaintiff to pursue a copyright infringement action without giving a defendant notice of what conduct it considers to be unlawful. According to the court of appeals, the failure to sufficiently identify the Maintenance Software was not important because, "at this stage of the litigation," the "definition [was] not the basis of any prohibitions on the part of [MR Plus]." (App. at 9).

This approach is wholly inadequate in that it ignores the reality that MR Plus must prepare a defense that shows that the Maintenance Software is not original and copyrightable and that it was not copied. As the district court specifically noted, the motion for summary judgment was before the court "after all discovery [had] been completed, a joint pre-trial order [had] been filed, each party's pre-trial brief [had] been filed and the case set for trial." (App. at 19). Without adequate information as to what programs, and what portions of those programs, are

allegedly protected, MR Plus could not mount a defense at trial and the district court could not try the case.

Third, the court of appeals' approach effectively (and improperly) shifts the burden to MR Plus to prove that there were non-copyrightable elements to the Maintenance Software. In its rigid adherence to the notion that a copyright registration provides a blanket presumption of copyrightability, the court of appeals neglects that the ultimate burden is on the copyright holder to prove the elements of infringement. Here, the court of appeals' ruling permits Fonar to hide behind its Certificate of Registration, while forcing MR Plus (and the district court) to proceed to trial without knowing precisely what programs, and portions thereof, are allegedly protectable. This approach ignores *Altai* which held that most components of computer software programs are "essentially utilitarian [in] nature" and are not protectable under copyright law. 982 F.2d at 705.

Moreover, MR Plus and the district court must do this with a software definition that even the court of appeals acknowledged was "flawed and unhelpful" (App. at 9) and which did not pass muster in the *Deccaid* opinion of the selfsame circuit court.

Given that computer software is highly functional in nature, careful scrutiny of a plaintiff's allegations is especially important to insure that protection is not extended beyond the purposes of the copyright statutes and that relief is narrowly crafted. The court of appeals' decision fails to adequately address these concerns.

MR Plus respectfully submits that the approach favored by the Tenth and Eleventh Circuits (and another

panel of the court of appeals in *Altai*), and employed by the district court, requiring a computer software copyright plaintiff to identify the specific portions of its work it considers protectable, is the only tenable approach. Such an approach recognizes that copyright law must be applied creatively to computer software if it is to remain viable in such a highly functional medium. This Court is best positioned to apply such creativity. Thus, this Court should grant *certiorari* to rectify the conflict in the circuits and to provide guidance to copyright owners and business competitors as to their rights respecting computer software.

II. Certiorari Should Be Granted In Order to Resolve a Conflict in the Circuits as to Whether a Copyright Application and Deposit are Reviewable for Compliance With Applicable Regulations.

Although a timely obtained registration certificate constitutes *prima facie* evidence of the validity of a copyright, 17 U.S.C. § 410(c), such certificate creates "no irrebuttable presumption of copyright validity." *Durham Industries, Inc. v. Tomy Corp.*, 630 F.2d 905, 909 (2d Cir. 1980). Where other evidence in the record casts doubt on the question, validity will not be assumed. *Id.* Further, "[w]hile the expertise of the Copyright Office is in interpretation of the law and its application to the facts presented by the copyright application, it is permissible for the district court itself to consider how the copyright law applies to the articles under consideration." *Carol Barnhart, Inc. v. Economy Cover Corp.*, 773 F.2d 411, 414 (2d Cir. 1985).

As discussed below, Fonar took the position at the district court level that the work should be registered as a collection. Accordingly, the district court examined the regulations governing collections and determined that Fonar had not satisfied those requirements. (App. at 37-41).

Instead of making a determination as to whether Fonar should have registered the software as a single work or as a collection, the Second Circuit improperly chose to defer completely to the Copyright Office. The court held that it was "a question we are content to leave to the judgment, expertise and practices of the Copyright Office." (App. at 14). (*See also* App. at 13 ("The Copyright Office has expertise to determine in the first instance whether a filer has complied with the technical requirements for a registration certificate.")).

According to the Second Circuit's logic, the Copyright Office is above scrutiny by the federal courts. This is error and inconsistent with the law of other circuits.

The Copyright Office, as an arm of the legislative branch, is subject to review by the judiciary, and, although the Copyright Office may be entitled to a certain amount of deference, the decision below departs from other Circuits' holdings that the Office's decisions on the sufficiency of registrations and deposits are reviewable for abuse of discretion. *Atari Games Corp. v. Oman*, 888 F.2d 878, 881 (D.C. Cir. 1989) (Ginsberg J.); *John Muller & Co., Inc. v. New York Arrows Soccer Team*, 802 F.2d 989, 990 (8th Cir. 1986); *Grundberg v. Upjohn Co.*, 137 F.R.D. 372 (D. Utah 1991); *see also Williams Electronics, Inc. v. Arctic Int'l,*

Inc., 685 F.2d 870, 875 (3d Cir. 1982) (reviewing sufficiency of copyright deposit requirement under the Code of Federal Regulations). The courts simply cannot defer, as the court of appeals did here, to a legislative creation when that creation facially violates the Code of Federal Regulations and the registrant *admits* that violation.

Similarly, when Article III judges review agency and administrative law judge actions, they examine whether the factual findings of the agency or judge are supported by substantial evidence. This Court has "long recognized the 'substantial evidence' standard in administrative law." *Arkansas v. Oklahoma*, 503 U.S. 91, 115 (1992); *see also Markowski v. SEC*, 34 F.3d 99 (2d Cir. 1994) ("Administrative findings of fact are conclusive if they are supported by substantial evidence.").

The court below held that "presumption of regularity and appropriateness in filing" is rebutted only by a showing of fraud or deliberate misrepresentation to the Copyright Office. (App. at 13-14). This holding conflicts with the suggestion of both the First and Third Circuits that non-fraudulent, material errors in submissions to the Copyright Office negate the presumption of validity that ordinarily attaches to a registered copyright under Section 410(c). *Data Gen. Corp. v. Grumman Sys. Support Corp.*, 36 F.3d 1147, 1163 (1st Cir. 1994); *Masquerade Novelty v. Unique Indus.*, 912 F.2d 663, 668 n.5 (3d Cir. 1990).

If the Copyright Office should not have accepted the Registration because of material errors in the accompanying deposit, it is only logical to presume that the statutory assumption of validity has been rebutted. It may be that the jurisdictional requirements of 17 U.S.C. 411(a) will be

satisfied by a registration even if it contains inadvertent, material errors. *See Grumman Systems Support*, 36 F.3d at 1163. This does not mean, however, that such a flawed registration entitles a registrant to the protections of 17 U.S.C. 410(c) and completely shields a plaintiff from having to prove the elements of a copyright violation claim.

It was a clear abdication of the panel's responsibility to defer to the Copyright Office instead of determining which regulations applied to Fonar's software. In light of Fonar's own admission (by reversing its position) that it had filed the application improperly as a collection, this abdication was particularly egregious.

An invalidly issued registration is not entitled to the statutory presumptions delineated in Section 410(c). Courts should not merely state, as the court below did, that whatever a particular agency chooses to do is acceptable, even if it does not follow its own regulations. In turning a blind eye to the record and the adequacy of the registration deposit, the Second Circuit shirked its constitutionally-mandated duty to interpret the law.

III. Certiorari Should be Granted in Order to Resolve Conflicts Among the Circuits as To Whether Litigants May Assert an Inconsistent Position on Appeal After the Earlier Position Was Argued and Adopted by the Lower Court, A Question Never Resolved by this Court.

At the district court level, Fonar claimed that it had filed its software with the Copyright Office as a collection under 37 C.F.R. § 202.3(b)(3). (App. at 37-38); (J.A. at 377,

557). The district court accepted Fonar's position, examined the applicable regulations and correctly found that Fonar failed to satisfy the requirements for filing the work as a collection. (App. at 37-41).

On appeal, Fonar changed its position and claimed not only that it properly registered the work as a single program, but that it would have been improper for it to register the work as a collection. (Reply Brief of Fonar filed with the Second Circuit on Sept. 20, 1996, at 7, n.4). The Second Circuit allowed Fonar to change factual positions on appeal to the detriment of MR Plus, the judicial system and the legal profession.

"The doctrine of judicial estoppel has not been uniformly adopted by the courts. The Supreme Court has never ruled upon or discussed the doctrine." James W. Moore, *Moore's Federal Practice* § 134.30, at 134-62 (3d Ed. 1997). As a result, the law governing judicial estoppel is not fully developed and "[c]ourts have had difficulty in formulating a specific test for determining when judicial estoppel should be applied." *Lowery v. Stovall*, 92 F.3d 219, 223 (4th Cir. 1996), *cert. denied*, 117 S. Ct. 954 (1997). Indeed, although most circuits have adopted some form of judicial estoppel, at least two circuits have rejected the doctrine altogether. *See Chrysler Credit Corp. v. Country Chrysler, Inc.*, 928 F.2d 1509, 1520 n.10 (10th Cir. 1991) (doctrine of judicial estoppel is not recognized); *Southern Pac. Transp. Co. v. ICC*, 69 F.3d 583, 591 n.3 (D.C. Cir. 1995) (noting circuit's past rejection of judicial estoppel).

Judicial estoppel is intended to protect the integrity of the judicial process, to prevent litigants from playing "fast and loose" with the courts, and to avoid unfair

results and unseemliness which bring disrepute on courts and the profession. *See Lowery*, 92 F.3d at 223; *United States v. McCaskey*, 9 F.3d 368, 378 (5th Cir. 1993), *cert. denied*, 511 U.S. 1042 (1994); *Young v. United States Dep't of Justice*, 882 F.2d 633, 639 (2d Cir. 1989), *cert. denied*, 493 U.S. 1072 (1990).

Fonar's inconsistent position on appeal is a clear candidate for judicial estoppel. Rather than taking a "somewhat different position below," as the Second Circuit held (App. at 15), Fonar took a position that was the complete opposite of its former position. Further, its position below was adopted by the district court, the district court never had the opportunity to rule on the inconsistent position, and the new position was not even properly part of the record on appeal. *See United States v. Bonds*, 12 F.3d 540, 552-53 (6th Cir. 1993). Petitioners were thus unfairly prejudiced by having to respond to Fonar's mutating theory instead of defending the district court's decision based on the record.

Fonar was undoubtedly playing "fast and loose" with the courts. The Second Circuit has, in the past, recognized judicial estoppel as a viable doctrine. *See Bates v. Long Island R.R.*, 997 F.2d 1028, 1038 (2d Cir.), *cert. denied*, 114 S. Ct. 550 (1993); *Young*, 882 F.2d at 639. Inexplicably, the Second Circuit abandoned the doctrine in the instant matter.

These inconsistencies, both inter-Circuit and intra-Circuit, are the result of the lack of guidance that has been provided to the courts so far. This Court should delineate the proper boundaries and rules of the judicial estoppel doctrine so that the federal courts may apply the

doctrine uniformly, consistently, and fairly and so that courts and lawyers can act in a way that increases confidence in our judicial system.

CONCLUSION

This case provides an excellent opportunity for this Court to fulfill its teaching functions. It is clear from the inconsistency and ambiguity in the developing jurisprudence of copyright protection for computer software that technology has outpaced the courts. While courts struggle to accommodate these technological advances, copyright owners and business competitors remain without guidance as to their legal rights. This Court should review the court of appeals' decision and provide much needed-guidance in this area so that lower courts can apply copyright law correctly and consistently to the rapidly growing and unique medium of computer software. This Court should also review the court of appeals' decision to provide ethical guidance necessary to end the situational inconsistencies that debilitate our legal system.

Respectfully Submitted,

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Dated: July 2, 1997

FONAR CORPORATION, Plaintiff-Counter-Defendant-Appellant,

v.

Robert DOMENICK, Magnetic Resonance Plus, Inc., Defendants-Counter-Claimants-Appellees.

No. 699, Docket 96-7919.

United States Court of Appeals,
Second Circuit.

Argued Dec. 6, 1996.

Decided Jan. 21, 1997.

Owner of copyright for software used in maintenance of magnetic resonance imaging scanners sued alleged infringer. The United States District Court for the Southern District of New York, Constance Baker Motley, J., 920 F.Supp. 508, dismissed infringement claims and related unfair competition claims. Owner appealed. The Court of Appeals, Jacobs, Circuit Judge, held that: (1) owner's registration filing was sufficient to entitle copyright to presumption of validity, and (2) fact questions regarding whether copyright was valid and whether software was copied precluded summary judgment.

Vacated and remanded.

Steven L. Holley, New York City (D. Stuart Meiklejohn, Marc De Leeuw, Sullivan & Cromwell, New York City, on the brief), for Plaintiff-Counter-Defendant-Appellant.

Ronald S. Katz, San Francisco, CA (Janet Arnold Hart, Coudert Brothers, San Francisco, CA, Stephen M.

Hudspeth, Lateef Mtima, Coudert Brothers, New York City, on the brief), for Defendants-Counter-Claimants-Appellees.

Before: VAN GRAAFEILAND, JACOBS and CALABRESI, Circuit Judges.

JACOBS, Circuit Judge:

Appellant Fonar Corporation ("Fonar"), a manufacturer of magnetic resonance imaging ("MRI") scanners, has created software that Fonar's service people use to maintain the machines in good working order. Fonar alleges that Magnetic Resonance Plus ("MR Plus"), a company that services and maintains MRIs, has committed copyright infringement (and otherwise violated Fonar's rights) by using Fonar's software to service Fonar-manufactured MRIs. It is undisputed that Fonar's software was accepted for filing by the United States Copyright Office and that a certificate of copyright registration was issued. It is also undisputed for present purposes that MR Plus has copied Fonar's software in whole.

Fonar appeals the grant of summary judgment in favor of MR Plus on Fonar's claims for copyright infringement and unfair competition. The district court determined that Fonar failed to comply with applicable regulations in registering the copyright and that the certificate of copyright registration therefore does not carry the ordinary presumption of copyright validity. The district court also concluded that Fonar's definition of its maintenance software is inconsistent, incomplete and uninformative, and is therefore insufficient to establish that the work is copyrightable or to serve as the basis of a copyright action.

We conclude that the district court improperly refused to employ the ordinary presumption of prima facie validity that attaches to a certificate of copyright registration. In light of that presumption, and the wholesale copying of the software, the grant of summary judgment is unsustainable. We vacate the order and judgment and remand for further proceedings consistent with this opinion.

BACKGROUND

Fonar manufactures, markets, and repairs MRI scanners, sophisticated machines that are controlled by complex electronic circuitry. Fonar has developed computer software to assist its field service technicians in servicing, calibrating, and repairing MRI scanners made by Fonar.

This "Maintenance Software" is installed at each customer site; but pursuant to Fonar's contracts with its customers, only Fonar employees are allowed access to the software. The complaint defines maintenance software as:

> [S]oftware used in or with the system to aid in its installation, maintenance or repair, and includes all software other than operational software. Maintenance software includes but is not limited to "diagnostic and maintenance software," "field engineering utilities software" and "editors and utilities software."

Fonar received a Copyright Registration from the United States Copyright Office for the maintenance software in July 1991. As indicated in the Copyright Registration, the software consists of three modules called

"Editors and Utilities," "Diagnostics," and "Field Engineering Utilities." The modules are grouped and identified by function, and when activated, the modules perform various service functions, several of which require interaction between the modules.

MR Plus is an independent service organization, which means that it maintains (but does not manufacture) certain types of equipment. It operates nationwide, and among the machines it services are certain models of MRI scanners made by various manufacturers including Fonar. Defendant Robert Domenick is the sole shareholder and president of MR Plus. (We refer to the defendants collectively as MR Plus.)

Fonar brought this action on April 1, 1993, alleging that MR Plus willfully infringed Fonar's maintenance software copyright by copying, reproducing, selling, and/or offering it for sale. Fonar also alleged that MR Plus engaged in unfair competition and trade secret misappropriation through the use and copying of the software and schematic diagrams. MR Plus has interposed counterclaims alleging antitrust violations, as well as unfair competition, trade libel, and tortious interference with prospective economic advantage.

After completion of discovery and submission of a proposed joint pretrial order, MR Plus filed a motion *in limine* seeking to dismiss Fonar's copyright infringement claims on the ground that Fonar had failed to describe and define the maintenance software with sufficient particularity to support a claim for infringement. Oral argument was heard on November 16, 1995. On November 28,

the district court converted the motion into one for summary judgment, directing submission of additional papers. On March 27, 1996, the court granted summary judgment, dismissing Fonar's copyright infringement claims and the related unfair competition claims.

After reviewing the important background principles applicable to the case, the district court turned to our decision in *Fonar Corp. v. Deccaid Servs., Inc.*, 983 F.2d 427 (2d Cir.1993), which held that the definition of the maintenance software – the same software with the same definition at issue here – was insufficiently specific and detailed to support the grant of an injunction or a finding of contempt. *Fonar Corp. v. Magnetic Resonance Plus, Inc.*, 920 F.Supp. 508, 516 (S.D.N.Y.1996).

Judge Motley recognized the presumption of copyright validity afforded by a copyright certificate, *id.* at 516-17, but held that the presumption was overcome here, because the work was filed as a "collection" without satisfying one of the statutory requirements for such a filing, namely, that the collected materials be "assembled in an orderly form." 37 C.F.R. § 202.3(b)(3)(i)(B). Fonar had filed less than all of its software program, relying on 37 C.F.R. § 202.20(c)(2)(vii)(A), which permits the filing of the first and last 25 pages of a computer program. But the district court, surveying a work composed of subparts, concluded that the "mass filing" of the entire work, furnishing no more than the first 29 pages of the first module and the last 34 pages of the last, was insufficient to identify the copyrighted work. 920 F.Supp. at 516-17 & n. 10. The district court also found that the "collection" was not sufficiently "orderly" because of the "self-serving and

superficial descriptions of the different 'modules'." *Id.* at 518.

Having stripped Fonar of the presumption of copyright validity, the court ruled that Fonar must shoulder the burden of proving the "multitude of facts necessary to prove the validity of its copyright, e.g., originality and copyrightability." *Id.* (internal quotations and citations omitted). The court proceeded to explain why Fonar's showing on that score was insufficient:

> Upon review of the record, the court finds as a matter of law that the cryptic definition of the Maintenance Software upon which plaintiff relies, which fails to indicate that the work is copyrightable in any way, is insufficient to serve as a basis for the instant copyright action. Nowhere does plaintiff set forth with any particularity the elements of the work or the originality or uniqueness of its functioning. Without introducing a genuine issue of material fact on the issue of copyrightability, plaintiff cannot establish the first element of a copyright case: i.e., ownership of a valid copyright.

Id. at 518-19 (footnote omitted).

Turning to the question of whether copying had been proven, the court decided that Fonar had also failed to show that MR Plus's copying of the entire work (which the district court assumed) "was carried out with regard to protectible elements of the copyrighted work." *Id.* at 519. The court relied on the inference that "if plaintiff has not shown that its work contains protectible elements, it obviously cannot show that these protectible elements

have been copied in such a way that the statute forbids." *Id.*

Fonar retained new counsel after the entry of summary judgment and moved for entry of final judgment pursuant to Fed.R.Civ.P. 54(b), as well as for reconsideration. In its motion to reconsider, made without prior leave, Fonar submitted to the district court for the first time a (second) affidavit by the author of the software, Robert Wolf, which attempted to further delineate the nature of its software. The district court properly refused to consider the affidavit, which had not been before the court when the summary judgment order was issued. Although we granted Fonar's motion to file the second Wolf affidavit in this Court, we have not considered it in resolving this appeal. *See, e.g., United States v. Bonds,* 12 F.3d 540, 552-53 (6th Cir.1993) (materials not before district court when it ruled on issue subject to review are not properly part of record on appeal); *Allen v. Minnstar, Inc.,* 8 F.3d 1470, 1475 (10th Cir.1993) (same). The district court did, however, grant the Rule 54(b) motion for a final judgment with respect to the dismissal of the copyright and unfair competition claims, and this appeal followed.

DISCUSSION

We review a district court's grant of summary judgment *de novo. Silano v. Sag Harbor Union Free School Dist. Bd. of Educ.,* 42 F.3d 719, 722 (2d Cir.1994), *cert. denied,* ___ U.S. ___, 115 S.Ct. 2612, 132 L.Ed.2d 856 (1995). On appeal "the mere existence of *some* alleged factual dispute between the parties will not defeat an otherwise properly

supported motion for summary judgment; the requirement is that there be no *genuine* issue of *material* fact." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48, 106 S.Ct. 2505, 2510, 91 L.Ed.2d 202 (1986). If there is any evidence in the record from which a jury could draw a reasonable inference in favor of the non-moving party on a material fact, this Court will find that summary judgment is improper. *See Brady v. Town of Colchester*, 863 F.2d 205, 211 (2d Cir.1988).

I.

Like the district court, we begin our analysis with a discussion of our decision in *Fonar Corp. v. Deccaid Servs., Inc.*, 983 F.2d 427 (2d Cir.1993), which concerned an infringement claim by Fonar against another independent service organization in respect of the same software. That case informs but does not supply the result here. *Deccaid* vacated a preliminary injunction under Rule 65(d) of the Federal Rules of Civil Procedure, and turned on the requirements of that Rule that a district court issuing an injunction "set forth the reasons for its issuance," "be specific in terms," and "describe in reasonable detail . . . the act or acts sought to be restrained." *See id.* at 430. We held that the definition of "maintenance software" in the injunction did not allow the parties bound by the injunction to "ascertain from the four corners of the order precisely what acts are forbidden." *Id.* (internal quotations and citation omitted).

The definition of the software in *Deccaid* is the same in haec verba as the definition of the software that Fonar employed in its pleading here and upon which it relied

on summary judgment. Insofar as the district court predicated dismissal of Fonar's claims on our decision in *Deccaid*, the court impliedly determined that a definition insufficiently informative to support an injunction is insufficient to preserve a triable issue as to what if anything in Fonar's software is copyrightable.

Fonar's definition of its copyrighted material is flawed and unhelpful. But that deficiency has different ramifications in different contexts. In *Deccaid*, we held that the definition gave insufficient notice as to the scope of the injunction issued by the district court. We have no doubt that if Fonar were to succeed at trial, any resulting injunction would require more specification of the copyrighted material than the vague definition of maintenance software given in *Deccaid* and in this case. At this stage of the litigation, however, the concerns raised in *Deccaid* are not determinative because the software definition is not the basis of any prohibitions on the conduct of the defendants.

II.

The district court went on, however, to note its concern that defendants could not be expected to mount a defense, and the court could not conduct an efficient trial, unless Fonar specified in advance of trial what is original and copyrightable in its software program. 920 F.Supp. at 519 n. 19. That may be, but the district court has the tools necessary to compel the requisite disclosure of information and contentions, and to prevent delay or trial by ambush. *See generally* Fed.R.Civ.P. 16 & 37(b), (c). The entry of summary judgment with respect to the question

of infringement, however, is not on this record one of those tools.

There are only two elements of an infringement claim: ownership of a valid copyright and the copying of constituent elements of the work that are original. Since we assume that accessing a program from a hard disk into a computer's random access memory constitutes copying (a proposition that MR Plus may still contest at trial), wholesale copying is not disputed for purposes of this appeal, and thus MR Plus cannot win summary judgment unless there are no disputed issues of material fact with respect to the validity of Fonar's copyright for the maintenance software. To establish its copyright, Fonar relies on the presumption of copyright validity conferred by the certificate of registration.

MR Plus has not undertaken to rebut the presumption by raising any substantive challenges to the copyrightability of Fonar's software. Rather, MR Plus endeavors to defeat the presumption by taking issue with the manner in which Fonar filed its copyright: (1) Fonar failed to submit a proper copyright deposit for each of the programs that compose the maintenance software; and (2) Fonar failed to comply with the registration requirements for a "collection." For reasons addressed at some length later in this opinion, we conclude that neither of these arguments defeats the presumption of validity, and we therefore vacate the grant of summary judgment.

Nothing we say, however, precludes the district judge on remand from requiring Fonar to furnish pre-trial

such particulars of its claims as she in her sound discretion believes is needed in order to allow MR Plus to mount a defense and to allow the court to conduct an efficient and just trial of this cause. *See* Fed.R.Civ.P. 37. And nothing precludes the district judge from requiring Fonar to specify the protectable elements of its software before the issuance of any enforceable injunction. No such additional showing may be needed, however, because at trial Fonar will undoubtedly have to break down its software into its constituent parts in order to allow the examination of these parts for such things as "incorporated ideas, expression that is necessarily incidental to those ideas, and elements that are taken from the public domain." *Computer Assocs. Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693, 706 (2d Cir.1992). Thus, if an injunction is called for at the conclusion of trial, the district court will presumably have already "sift[ed] out all non-protectable material," leaving only the "kernel, or possible kernels, of creative expression." *Id.* With these general principles in mind, we turn to the more specific issues surrounding Fonar's infringement claims.

III.

It is settled that "the literal elements of computer programs, i.e., their source and object codes, are the subject of copyright protection." *Altai*, 982 F.2d at 702. As mentioned, to establish copyright infringement, a plaintiff must prove "(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." *Feist Pubs. Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361, 111 S.Ct. 1282, 1296, 113 L.Ed.2d 358 (1991).

A. *Copyright Validity.*

The district court determined that Fonar's copyright was invalid and that its software was not copyrightable. We disagree. A certificate of copyright registration is prima facie evidence that the copyright is valid. 17 U.S.C. § 410(c); *Folio Impressions, Inc. v. Byer Cal.*, 937 F.2d 759, 763 (2d Cir.1991). Moreover, "[p]ossession of a registration certificate creates a rebuttable presumption that the work in question is copyrightable." *Whimsicality, Inc. v. Rubie's Costume Co.*, 891 F.2d 452, 455 (2d Cir.1989). Fonar's proffer of its certificate of copyright registration thus shifts to MR Plus the burden of proving the invalidity of the copyright, *see Hasbro Bradley, Inc. v. Sparkle Toys, Inc.*, 780 F.2d 189, 192 (2d Cir.1985) (Friendly, J.); and there the burden rests, unless the presumptions are rebutted.

Generally speaking, the presumption of validity may be rebutted "[w]here *other evidence* in the record casts doubt on the question." *Durham Indus., Inc. v. Tomy Corp.*, 630 F.2d 905, 908 (2d Cir.1980) (emphasis added). The presumption has been overcome on other occasions by evidence that the work had been copied from the public domain, *see Folio Impressions*, 937 F.2d at 763, 764, or by evidence that the work was a non-copyrightable utilitarian article, *see Carol Barnhart Inc. v. Economy Cover Corp.*, 773 F.2d 411, 414 (2d Cir.1985).

MR Plus has presented no evidence that Fonar's software is entirely unoriginal or that it has been copied from another program, or any other evidence that casts doubt on the copyrightability of Fonar's software. The original motion that MR Plus made in limine (before the district

court cast the issue in terms of summary judgment) argued that Fonar's vague definition of its software impaired the defendants' ability to mount a defense at trial; MR Plus did not contend that the software was not copyrightable.

Nor did the district court focus on any "other evidence" in the record that called into question the copyrightability of Fonar's software. Rather, the district court held that Fonar's copyright registration was disentitled to the presumption of validity because there are two formal inadequacies in Fonar's filing with the Copyright Office: (1) the filing failed to identify the works that are the subject of the copyright, and (2) the filing was not "assembled in an orderly form" for filing as required by federal regulation. 920 F.Supp. at 517-18. We respond to each assertion in turn.

(1) *Identification of the Work.* The Copyright Office has expertise to determine in the first instance whether a filer has complied with the technical requirements for a registration certificate. We have considered challenges to the presumption of validity where a showing has been offered – by way of a defense to an infringement claim – that there has been a fraud upon the copyright office. *Whimsicality, Inc.*, 891 F.2d at 455. But under this doctrine, the presumption may be overcome only by "proof of deliberate misrepresentation." *Id.; see also Eckes v. Card Prices Update*, 736 F.2d 859, 861 (2d Cir.1984) (only the *knowing* failure to advise the Copyright Office of facts which might have occasioned rejection of an application constitutes reason for finding the registration invalid) (emphasis added). MR Plus does not allege that Fonar has defrauded or made any deliberate misrepresentation to

the Copyright Office. The presumption of validity of Fonar's copyright therefore cannot be overcome on this basis.

In any event, Fonar appears to have complied with the registration requirements for its software. In this case, the Copyright Office determined that Fonar's filing of the first 29 and last 34 pages of the source code satisfied the technical filing requirements (and apparently the substantive requirements) for a certificate of registration. MR Plus acknowledges that, in the case of computer programs, the copyright owner is not required to deposit the full text; it is enough to file the first and last 25 pages of the human-readable source code. 37 C.F.R. § 202.20(c)(2)(vii); *see Data General Corp. v. Grumman Sys. Support Corp.*, 36 F.3d 1147, 1160 (1st Cir.1994). MR Plus argues, however, that Fonar should have submitted the requisite pages of source code for each of the 78 *subprograms* that make up the maintenance software. Whether Fonar had to submit source code for each of the many subprograms (and possibly sub-subprograms) is a question we are content to leave to the judgment, expertise, and practices of the Copyright Office. A single computer program with an overarching purpose (such as the servicing and maintenance of MRI scanners) will necessarily be composed of various modules, subroutines, and sub-subroutines, which through their intra-program interactions accomplish the ultimate function or purpose of the program. *See generally Altai,* 982 F.2d at 697-98. The Copyright Office may well conclude, given this architecture of computer programs, that the various modules and subprograms of the maintenance software may all be registered as a single work. The alternative – requiring Fonar to submit 50 pages of code (and an additional filing fee) for each of the programs that compose

the maintenance software – would impose burdens on Fonar and on the resources of the Copyright Office that the Copyright Office may deem unnecessary or excessive.

(2) *Assembly in Orderly Form.* The district court assumed that Fonar had filed its software as a "collection" pursuant to 37 C.F.R. § 202.3(b)(3), and concluded that the filing was inadequate to register a collection because the software filing was not "assembled in an orderly form" as required by the applicable regulation. Although Fonar (employing different counsel) took a somewhat different position below, Fonar now argues squarely that it registered the software as a single work, not as a collection.[1] The face of the registration in no way indicates that the software was filed as a collection; and the affidavit of the program's designer states that the three modules of the software are considered a single work not only because they are used for the same purpose – maintenance and service of Fonar MRI scanners – but also because there are several service functions which require interaction between modules. The record here is insufficiently clear for us to conclude that Fonar's software is a collection. We do note, however, that we find no indication in the copyright law or any caselaw that computer software composed of multiple interacting modules must be registered as a collection, and not as a single work.

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[1] 37 C.F.R. § 202.3(b)(3) permits the registration of a collection of "self-contained works" as a single work if certain requirements are met. However, the software designer's affidavit appears to indicate that each module is not a self-contained work because the individual modules do not function as "separate, independent elements."

In any event, even if the software was registered as a collection, we disagree with the district court's conclusion that the software was not "assembled in an orderly form" pursuant to 37 C.F.R. § 202.3(b)(3)(i)(B). The programs are organized according to the functions they perform, and have been assembled in a way that has withstood the scrutiny of the Copyright Office.

Absent a showing that Fonar defrauded or made a deliberate misrepresentation to the Copyright Office, we think that a presumption of regularity and appropriateness in filing is ordinarily subsumed in the presumption of validity that attaches to a certificate of copyright registration. In opposition to summary judgment, Fonar presented to the district its copyright registration together with an affidavit from the principal designer of the maintenance software, attesting to the originality of the software. We hold that this showing, in these circumstances, is sufficient to withstand a ruling on summary judgment that the copyright is invalid.

Accordingly, we conclude that the district court erred in deciding that MR Plus had rebutted the presumption of validity that inheres in a copyright registration certificate. Fonar has therefore (at the least) raised issues of material fact with respect to the first element of a copyright infringement action – ownership of a valid copyright.

B. *Copying.*

Drawing all reasonable inferences in favor of Fonar as the non-movant, there is little doubt that there are also issues of fact to be tried with respect to the second of the

two elements of an infringement claim: copying of constituent copyrighted material. Fonar alleges, and MR Plus does not appear to deny, that some acts of wholesale verbatim copying of the maintenance software took place. The district court concluded, however, that since Fonar had not shown that its work contained protectable elements, it could not show any impermissible copying. In light of our conclusion concerning the validity of Fonar's copyright, we cannot agree. Assuming that MR Plus made complete copies of Fonar's software, we have no doubt that there are at least material issues of fact as to whether protected elements of the software were copied. *See Triad Sys. Corp. v. Southeastern Express Co.*, 64 F.3d 1330, 1335 (9th Cir.1995) (where defendant copied entire computer program, there was "no doubt that protected elements of the software were copied."), *cert. denied*, ___ U.S. ___, 116 S.Ct. 1015, 134 L.Ed.2d 96 (1996).

CONCLUSION

For the reasons set forth herein, we vacate the grant of summary judgment and remand for further proceedings consistent with this opinion.

FONAR CORPORATION, Plaintiff,

v.

MAGNETIC RESONANCE PLUS, INC., and Robert Domenick, Defendants.

No. 93 Civ. 2220.

United States District Court,
S.D. New York.

March 27, 1996.

Holder of copyright for computer software sued alleged infringers. Defendants moved for summary judgment. The District Court, Motley, J., held that: (1) Plaintiff failed to define its program with sufficient specificity and thus was not entitled to usual presumption of validity of registered copyright, and (2) Plaintiff failed to show copying of protected elements of program.

Motion for summary judgment granted.

Laurence Shiff, Shiff & Tisman, New York City, for Plaintiff.

Lateef Mtima, Coudert Brothers, New York City, for Defendant.

OPINION

MOTLEY, District Judge.

In the instant case the court is asked to rule upon the degree of specificity with which a Plaintiff seeking to enforce a copyright for computer software must describe that work. As the following discussion shows, Plaintiff

has failed to describe its purportedly copyrighted material in such a way that would reveal the substance of the protected work. Accordingly, for the reasons set forth herein, defendants' motion for summary judgment is granted and Plaintiff's copyright claims under federal law, as well as the supplemental state law claims of unfair competition, are dismissed in their entirety.

This motion for summary judgment is being considered by the court after all discovery has been completed, a joint pre-trial order has been filed, each party's pre-trial brief has been filed and the case set for trial.

BACKGROUND

Plaintiff Fonar Corporation, (hereinafter "plaintiff"), is a corporation organized under the laws of the State of Delaware, with its principal place of business in Melville, New York. (Complaint at ¶ 3.) Plaintiff is engaged in the research, development, production and sale of Magnetic Resonance Imaging (MRI) systems used for medical diagnostic purposes. To maintain these systems, Plaintiff has developed "Maintenance Software" for its systems' computers and schematic diagrams of the systems' hardware. (Complaint at 3-6.) Plaintiff describes the software that is the subject of this suit as follows:

> The term "Maintenance Software" means software used in or with the system to aid in its installation, maintenance or repair, and includes all software other than operational software. Maintenance Software includes but is not limited to "diagnostic and maintenance software," "field engineering utilities software" and "editors and utilities software."

(Complaint at ¶ 13 n. 1.)

Plaintiff alleges that the defendants "willfully infringed the copyright in Plaintiff's Maintenance Software by copying, reproducing, selling, and/or offering [it] for sale." (Complaint at ¶ 28.) Plaintiff also alleges that defendants engaged in unfair competition and trade secret misappropriation through the use and copying of Plaintiff's Maintenance Software and schematic diagrams. (Complaint at ¶¶ 32-36.) Plaintiff seeks, *inter alia*, declaratory and injunctive relief, either actual or statutory damages, punitive damages, costs and attorneys' fees. (Complaint at 12-16.)

Defendant Magnetic Resonance plus, is a corporation with offices in New York and California. Defendant Robert Domenick is the corporation's president. (Collectively, "defendants"). (Complaint at ¶¶ 4-5; Answer at ¶¶ 4-5).

The Instant Motion

By motion *in limine*, defendants sought an order dismissing Plaintiff's copyright claims on the ground that Plaintiff failed to describe the material that is the subject of the instant action with sufficient particularity to sustain a claim for copyright infringement.

Central to defendants' motion is its argument that the Second Circuit's prior ruling in *Fonar Corp. v. Deccaid Services, Inc.*, 983 F.2d 427 (2d Cir.1993), is controlling on the issue *sub judice*. Defendants argue that "the Court of Appeals for the Second Circuit [in *Deccaid, supra*] has already ruled that Plaintiff's description of the Fonar Maintenance Software is too vague and insufficient to provide a basis for any injunctive and/or monetary

recovery." (Defs.Mem.Supp.Mot. in Lim. at 1.) In *Deccaid, supra*, the Second Circuit reversed and vacated several of the district court's orders in that case – the initial temporary restraining order, preliminary injunction and subsequent contempt orders – which relied upon and incorporated Plaintiff's definition of its software.[1] The Second Circuit determined that this definition, because it was vague and overbroad, could not form the basis of injunctive relief. In addition, the court found that the violation of any restraining order or injunction based thereon could not serve as a basis for a finding of contempt. *Id.* at 429-430.

When pressed at oral argument on the motion *in limine*, counsel for Plaintiff failed to characterize the software in any greater detail:

> Maintenance software is the broad piece of software . . . which is comprised of three different segments, it is like major chapters. One is a chapter for diagnostic software, which diagnos[es] materials; one is editors, which changes certain parameters on the machine; one

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[1] In *Deccaid*, the court described the Maintenance Software as follows:

> [I]n the affidavits supporting Fonar's motion for a TRO, "Maintenance Software" was defined as "all software other than Operational Software . . . , including but not limited to, 'diagnostic and maintenance software', 'field engineering utilities software' and 'editors and utilities software'." Notably, these affidavits do not define "Operational Software." . . .

983 F.2d at 429 (citations omitted).

> is field engineering utilities, which does something else.

(R. at 44; *See also*, R. at 47).[2]

Counsel for Plaintiff stated further that once the jury had ruled in Plaintiff's favor, he would provide the court with a "proposed injunction form . . . running about 40 pages in length, single-spaced" which would set forth the programs covered by the Maintenance Software definition. (R. at 45-46, 63-64.)

After oral argument, defendants noted a contradiction in the definition originally set forth in the complaint. Counsel for defendants pointed out that at his deposition one of Plaintiff's witnesses admitted that there were elements of the Maintenance Software that were not "operational software" and at the same time were not copyrighted as part of the Maintenance Software. (Letter of Counsel for Defendants, dated November 21, 1995, at 2.) This testimony illuminated a contradiction in Plaintiff's definition: the original definition stated that all software that was not operational software was included in Plaintiff's purportedly copyrighted Maintenance Software. (*See* Complaint at ¶ 13 n. 1.) In response to this allegation, Plaintiff's counsel argued that the "copyright registration clearly applies only to the Diagnostic, Editors and [Field Engineering] Menu Software . . . The other software *included in the Maintenance Software but not included in the copyright registration* is "MAPPING" and

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[2] All references to the record refer to the transcript from the oral argument on the motion held on November 16, 1995.

"SHIMAGING". Fonar has made no claim against defendants for infringement of these pieces of software." (Letter of Counsel for Plaintiff, dated November 22, 1995, at 3 (emphasis added)).

Because of the shifting nature of the matters before the court concerning defendants' motion, the court converted the motion to dismiss to one for summary judgment, allowing the parties to supplement their submissions. *See* November 28, 1995 Order.

Plaintiff's Supplemental Information

Even though Plaintiff has had every opportunity to supplement the definition of the software which is the subject of this action, except where its statements demonstrate the internal contradictions of the definition, Plaintiff has not departed in any significant way from the original definition contained in the complaint.

First, in its supplemental submission, Plaintiff provides several "directories" of programs which purportedly make up the contents of the Maintenance Software. These are set forth without any descriptive information and in the most cryptic of terms, rendering them meaningless to the lay eye. (Wolf Aff. at Exh. J.) Plaintiff has also submitted "print screens" that purport to show that defendants utilized the copyrighted software, although these are similarly puzzling, showing only line after line of computer language text mixed with clusters of meaningless terms. (*See Id.* at Exh. K.) Lastly, an affidavit was submitted by one of Plaintiff's employees that failed to provide any greater detail than that which was originally set forth in the complaint. *See* Wolf Aff. Additionally,

Plaintiff failed to clarify the issue described above concerning the apparent internal contradiction in Plaintiff's description of its work. In brief, Plaintiff has not supplemented in any significant way the basic definition originally contained in the pleadings, even though serious questions have been raised concerning its validity.

ANALYSIS

I. SUMMARY JUDGMENT STANDARD.

A motion for summary judgment shall only be granted "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Fed.R.Civ.Proc. 56(c). *See also Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48, 106 S.Ct. 2505, 2510, 91 L.Ed.2d 202 (1986).

"[T]he plain language of Rule 56(c) mandates the entry of summary judgment, after adequate time for discovery and upon motion, against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial." *Celotex Corp. v. Catrett*, 477 U.S. 317, 322, 106 S.Ct. 2548, 2552, 91 L.Ed.2d 265 (1986). Where no such showing is made, "[t]he moving party is 'entitled to a judgment as a matter of law.' " *Id.*, at 323, 106 S.Ct. at 2552. Moreover, "a complete failure of proof concerning an essential element of the nonmoving party's case *necessarily renders all other facts immaterial. Id.* (emphasis added).

Although the court must view the inferences to be drawn from the facts in the light most favorable to the non-movant, *Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp.*, 475 U.S. 574, 587, 106 S.Ct. 1348, 1356, 89 L.Ed.2d 538 (1986), in order to defeat the motion the non-moving party must still establish the existence of a genuine issue of material fact for trial and may not merely rely upon the pleadings in order to overcome the motion. Fed.R.Civ.Proc. 56(e); *Celotex Corp.*, 477 U.S. at 322-324, 106 S.Ct. at 2552-53; *Christian Dior-New York, Inc. v. Koret, Inc.*, 792 F.2d 34, 37 (2d Cir.1986). Moreover, " ' "mere conclusory allegations or denials" ' in legal memoranda or oral argument are not evidence and cannot by themselves create a genuine issue of material fact where none would otherwise exist." *Fletcher v. Atex, Inc.*, 68 F.3d 1451, 1456 (2d Cir.1995) (citations omitted). Similarly, "a party may not 'rely upon mere speculation or conjecture as to the true nature of the facts to overcome a motion for summary judgment.' " *Id.* (citations omitted).

In the context of copyright infringement actions, summary judgment is an appropriate remedy "where it is clear that the Plaintiff cannot make out the elements of the claim." *Repp v. Lloyd Webber*, 858 F.Supp. 1292, 1300 (S.D.N.Y.1994). Accordingly, in order to defeat the motion, Plaintiff's definition of its copyrighted software, together with its additional submissions in opposition to the motion, must raise a genuine issue of material fact with regard to the essential elements of its infringement action. A discussion of the protections afforded by the copyright laws and their relation to computer software is essential to the resolution of the matters raised on the instant motion.

II. COPYRIGHT PROTECTIONS AND COMPUTER SOFTWARE.

To maintain an action for copyright infringement, Plaintiff must establish two elements. First, Plaintiff must show that it owns a valid copyright. *Feist Publications, Inc. v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340, 361, 111 S.Ct. 1282, 1295-96, 113 L.Ed.2d 358 (1991). Though rebuttable, the introduction of a valid copyright registration establishes the prima facie validity of Plaintiff's copyright. *Durham Indus., Inc. v. Tomy Corp.*, 630 F.2d 905, 908 (2d Cir.1980). The introduction of a valid registration is not dispositive regarding the issue of the copyrightability of the underlying work, however. *Woods v. Bourne Co.*, 60 F.3d 978, 990 (2d Cir.1995). Moreover, although proper registration does not determine copyrightability, it is a prerequisite to suit under the copyright laws, *Whimsicality, Inc. v. Rubie's Costume Co., Inc.*, 891 F.2d 452, 453 (2d Cir.1989).

Under the second element of a copyright action, Plaintiff must prove "copying of constituent elements of the work that are original." *Feist Publications, Inc.*, 499 U.S. at 361, 111 S.Ct. at 1296. Even if the court were to assume that Plaintiff holds a valid copyright, Plaintiff still must show that the protected elements of its work have been copied. *See Lotus Dev. Corp. v. Borland Intern., Inc.*, 49 F.3d 807, 818 (1st Cir.1995) (holding copying of uncopyrightable subject matter of software not copyright infringement), *aff'd by an equally divided court*, ___ U.S. ___, 116 S.Ct. 804, 133 L.Ed.2d 610 (1996); *Gates Rubber Co. v. Bando Chemical Industries, Ltd.*, 9 F.3d 823, 832 (10th Cir.1993); *Computer Assoc. Int'l, Inc. v. Altai, Inc.*, 982 F.2d

693, 705 (2d Cir.1992) (holding "those elements of a computer program that are necessarily incidental to its function are" unprotectible); *Rogers v. Koons*, 960 F.2d 301, 307 (2d Cir.) (noting "that a whole work is copyrighted does not mean that every element of it is copyrighted; copyright protection extends only to those components of the work that are original to the creator."), *cert. denied*, 506 U.S. 934, 113 S.Ct. 365, 121 L.Ed.2d 278 (1992).[3]

The rationale underlying elements of a copyright action is found in the purposes of the copyright laws themselves. Under the Constitution, Congress has the power "[t]o promote the progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. Const. art. I, § 8, cl. 8; *See, also, Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 428-29, 104 S.Ct. 774, 781, 78 L.Ed.2d 574 (1984). Copyright policy must balance the interest in encouraging individual effort through personal gain with the general public good of fostering learning, progress and development through the dissemination of ideas. *Feist Publications, Inc.*, 499 U.S. at 349-350, 111 S.Ct. at 1289-91; *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156, 95 S.Ct. 2040, 2043-44, 45 L.Ed.2d 84 (1975). These purposes are embodied in the "fundamental principle" of copyright law that "a copyright does not protect an idea,

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[3] Copying can be proven "either by direct evidence or, as is most often the case, by showing that (1) the defendant had access to the Plaintiff's copyrighted work and (2) that defendant's work is substantially similar to the Plaintiff's copyrightable material." *Altai, Inc.*, 982 F.2d at 701.

but only the expression of the idea." *Altai, Inc.*, 982 F.2d at 703.

In order to carry out these goals, Congress enacted the Copyright Act, 17 U.S.C. § 101, et seq., ("the Act"), which embodies the purposes of copyright protections described above. The Act outlines the scope of these protections as follows:

> Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.

17 U.S.C. § 102(a).

At the same time, the Act does not protect those types of works described in § 102(b) thereof, which provides:

> In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

Id.

> Distinguishing between protectible expression and unprotectible ideas and processes is the critical – and, at times difficult – task in infringement actions. As Judge Learned Hand stated in *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487 (2d Cir.1960):

> The test for infringement of copyright is of necessity vague. In the case of verbal "works" it is well settled that although the "proprietor's" monopoly extends beyond an exact reproduction of the words, there can be no copyright in the "ideas" disclosed but only in their "expression." Obviously, no principle can be stated as to when an imitator has gone beyond copying the "idea," and has borrowed its "expression." Decisions must therefore inevitably be *ad hoc*.

Id. at 489.

As with the accounting principles analyzed by the Supreme Court over a century ago in *Baker v. Selden*, 101 U.S. 99, 104, 25 L.Ed. 841 (1879),[4] computer programs often serve a utilitarian function which renders the task of separating protected expression from unprotected idea especially difficult. *Altai, Inc.*, 982 F.2d at 704 (comparing computer programs to aesthetic works and concluding that the latter "hover even more closely to the elusive boundary line described in [17 U.S.C.] § 102(b)").

The Act defines a computer program as "a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result." 17 U.S.C. § 101. The Second Circuit in *Altai, Inc., supra*, described the basic elements of computer programs and

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[4] In *Baker*, the Court found that a copyrighted book on a particular system of accounting was not infringed by a similar book using a similar plan achieving similar results.

the process through which they are composed with great clarity and this description is set forth in the margin.[5]

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[5] The *Altai, Inc.* court explained:

> In writing the[ ] directions [of the program], the programmer works "from the general to the specific."
>
> The first step in this procedure is to identify a program's ultimate function or purpose. . . . [Then] a programmer breaks down or "decomposes" the program's ultimate function into "simpler constituent problems or 'subtasks,' " which are also known as subroutines or modules. . . . [D]epending upon the complexity of its task, a subroutine may be broken down further into sub-subroutines.
>
> Having sufficiently decomposed the program's ultimate function into its component elements, a programmer will then arrange the subroutines or modules into what are known as organizational or flow charts . . . [which] map the interactions between modules that achieve the program's end goal.
>
> In order to accomplish these intra-program interactions, a programmer must carefully design each module's parameter list. A parameter list . . . is "the information sent to and received from a subroutine." The term "parameter list" refers to the form in which information is passed between modules . . . and the information's actual content . . . "The functions of the modules in a program together with each module's relationships to other modules constitute the 'structure' of the program."

982 F.2d at 697-698 (citations omitted).

The structure of the program is embodied in a "source code," which is written in one of several computer languages, and an "object code", i.e., "the binary language comprised of zeros and ones through which the computer directly receives its instructions." *Id.* at 698.

As the Legislative History of the Act indicates, Congress intended to recognize the important idea/expression dichotomy in copyright protections as they relate to computer programs. "[T]he legislative history explicitly states that copyright protects computer programs only 'to the extent that they incorporate authorship in programmer's expression of original ideas, as distinguished from the ideas themselves.' " *Altai,* 982 F.2d at 703 (quoting H.R.Rep. No. 1476, 94th Cong., 2d Sess. 54, reprinted in 1976 U.S.C.C.A.N. 5659, 5667) (hereinafter "House Report").

Whether a party can maintain a copyright infringement action involving computer software will often hinge on the extent to which the protectible elements of the copyrighted work have been copied.[6] Indeed, even if defendants engaged in unrestrained copying of Plaintiff's work, Plaintiff would still be obligated to show that elements that constituted protected expression had been infringed. *See, e.g., Lotus Dev. Corp.,* 49 F.3d at 818 (holding copying of uncopyrightable elements of software not copyright infringement); *Gates Rubber Co.,* 9 F.3d at 833 (recognizing that "even if generalized copying is established in the first instance, it will ultimately still be necessary to establish copying of precisely identified protected elements of a program before copyright infringement can be established"); *Altai, Inc.,* 982 F.2d at 710 (holding non-literal components of computer program

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[6] The term "copying" is used here as "a shorthand reference to any infringement of the copyright holder's exclusive rights" set forth in 17 U.S.C. § 106. *Gates Rubber Co.,* 9 F.3d at 832 n. 6.

are subject to copyright protection to the extent that the "golden nugget" of protectible expression has been copied) (citation omitted); *Sega Enter. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1524 (9th Cir.1993) (holding "[t]o the extent that a work is functional or factual, it may be copied, as may those expressive elements of the work that 'must necessarily be used as incident to' expression of the underlying ideas, functional concepts, or facts") (quoting *Baker v. Selden*, 101 U.S. at 104, 25 L.Ed. 841 (1879)).

The purposes of the copyright laws, together with the holdings in the cases mentioned above, provide a basic framework within which to determine Plaintiff's burden at this stage in the litigation regarding the definition of its copyrighted material. Because no action for copyright infringement will lie where a defendant has copied unprotected elements of an otherwise copyrighted work of computer software, *e.g., Lotus Dev. Corp., supra,* or even where the copying of protected elements was incident to legitimate uses of the work, *e.g., Sega Enter. Ltd., supra,* at the summary judgment stage Plaintiff must raise a genuine issue of material fact as to defendants' alleged illicit copying of protectible elements of its work. This would require Plaintiff to set forth the specific portions of its work that it claims are entitled to copyright protection and the extent to which defendants engaged in copying of these portions. *Cf. Gates Rubber Co.*, 9 F.3d at 832.[7]

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[7] The Tenth Circuit in *Gates Rubber Co.* held that the question of whether defendant copied protected elements of the work "involves two separate inquiries: 1) whether the defendant, as a factual matter, copied portions of the Plaintiff's program; and 2) whether, as a mixed issue of fact and law, those elements of the program that have been copied are protected

Requiring Plaintiff to provide the information described above concerning the constitutive elements of its copyrighted work is also critical to insure that injunctive relief, if granted, is properly framed. "[A] court's authority to issue an injunction in a copyright case should be limited in scope to that part of the work that is protectible." *Lipton v. Nature Co.*, 71 F.3d 464, 475 (2d Cir.1995) (interpreting 17 U.S.C. § 502). Accordingly, the definition of the copyrighted work must also be sufficiently concise so that appropriate injunctive relief can be granted.[8]

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expression and of such importance to the copied work that the appropriation is actionable." 9 F.3d at 832 (footnote and citation omitted)

[8] Injunctions issued by a federal court are governed by Fed.R.Civ.Proc. 65(d), which provides in pertinent part:

> Every order granting an injunction and every restraining order shall set forth the reasons for its issuance; shall be specific in terms; shall describe in reasonable detail, and not be reference to the complaint or other document, the act or acts sought to be restrained . . .

Id.

This provision "was designed to prevent uncertainty and confusion on the part of those faced with injunctive orders, and to avoid the possible founding of a contempt citation on a decree too vague to be understood." *Schmidt v. Lessard*, 414 U.S. 473, 476, 94 S.Ct. 713, 715, 38 L.Ed.2d 661 (1974) (citation omitted). Because an injunctive order carries with it the threat of judicial punishment for its violation, "basic fairness requires that those enjoined receive explicit notice of precisely what conduct is outlawed." *Id.* (footnote omitted); *See also, Gunn v. University Comm. to End the War in Viet Nam*, 399 U.S. 383, 389, 90 S.Ct. 2013, 2016-17, 26 L.Ed.2d 684 (1970). This Rule also serves the "important function" of insuring that an appellate court

As described above, the Second Circuit in *Fonar v. Deccaid, supra,* found the district court's orders in that case were insufficient as a matter of law because they had been based on the vague definition of the software programs provided by the Plaintiff. Because the definition utilized by the district court was itself vague and ambiguous, the court's orders based on such definitions could not stand. *Id.; cf. Kepner-Tregoe, Inc. v. Leadership Software, Inc.,* 12 F.3d 527, 538 (5th Cir.) (holding injunction against future infringement of copyrighted computer software cannot enjoin otherwise permissible uses of the work), *cert. denied,* 513 U.S. 820, 115 S.Ct. 82, 130 L.Ed.2d 35 (1994).[9]

To summarize, the critical elements of a copyright action are: 1) ownership of a valid copyright; and, 2)

"know[s] precisely what it is reviewing." *Schmidt,* 414 U.S. at 477, 94 S.Ct. at 715 (citation omitted).

[9] The *Deccaid* court found as follows:

> A district court may punish for disobedience of an order only if the order is clear and unambiguous. . . . The contempt order in the instant case was predicated on alleged violations of an unclear restraining order. The order prohibited defendants from "using Plaintiff's copyrighted 'Maintenance Software'," but never defined precisely what constituted "Maintenance Software." Indeed, even at this stage in the proceedings, there is nothing in the record to identify the programs that comprise this protected software. Throughout, Fonar has adhered to the most elusive of definitions and has refused repeatedly to provide the documents that would narrow and clarify the issue.

983 F.2d at 429 (citations omitted).

copying of protected elements of the work. Given that computer programs are highly functional in nature, in an action alleging copyright infringement of computer software, careful scrutiny of Plaintiff's allegations concerning the protected elements of its copyright software is especially important in order to insure that protection is not extended beyond the purposes of the statute and that injunctive relief is narrowly crafted and concise. At the summary judgment stage in the litigation, therefore, Plaintiff must show that the definition it maintains – with consideration of its supplemental submissions and in due deference to any inferences Plaintiff should enjoy on the motion – is sufficient to establish genuine issues of material fact relating both to the validity of the copyright as well as the issue of whether defendants have copied protected elements of the work in question.

III. PLAINTIFF'S DEFINITION OF ITS MAINTENANCE SOFTWARE.

In the instant case, defendant has alleged that Plaintiff's definition is so vague that the reliance on it fails to establish the validity of Plaintiff's copyright and that injunctive and monetary relief based thereon cannot be awarded. Moreover, defendants have highlighted an internal inconsistency in Plaintiff's definition: that uncopyrighted elements appear to be included in its definition.

Here, as in the *Deccaid* case, *supra*, "Fonar has adhered to the most elusive of definitions and has refused repeatedly to provide the documents that would

narrow and clarify the issue." 983 F.2d at 429.[10] Furthermore, whether or not the court takes into account the inconsistent and unsupported[11] allegations proffered in Plaintiff's counsel's letter, dated November 22, 1995, described above, the supplemental submissions fail to depart significantly from the original definition contained in the complaint. The supplemental evidence offered by Plaintiff in opposition to the instant motion reiterates that there are three "modules" to the program – " 'Editors and Utilities,' 'Diagnostics,' and 'Field Engineering Utilities' " – and purportedly introduces lists of the programs under these elements, although this information is indecipherable. (Wolf Aff. at ¶ 3 and Exh. J.)

A. Validity of Plaintiff's Copyright.

Given the definition espoused by Plaintiff, the court is unable to find that Plaintiff has established a valid copyright in its Maintenance Software. In registering its

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[10] Although in *Deccaid* the copyright registration had not been entered into evidence, the registration itself, which is before the court here, lends little help to Plaintiff's case. Plaintiff admits that the copyrighted work is 2000 pages long and that the copyright registration contains only a small fraction of the work, (R. at 65): i.e., the first 29 and last 34 pages of the entire work. (Shiff Aff. at 6-7.) Moreover, as with the print screens annexed to Plaintiff's supplemental submissions, the pages annexed to the copyright registration contain the text of unintelligible computer programs that fail to clarify the issue in question.

[11] It is important to note that counsel's allegations contained in the November 22, 1995 letter have never been expressly substantiated.

copyright, Plaintiff did not include the entire source code with its registration – a 2,000 page document according to Plaintiff's counsel – choosing rather to file its Maintenance Software as a collection, under 37 C.F.R. § 202.3(b)(3), which, Plaintiff argues, entitled it to file just a fraction of the actual work under the registration.

As set forth above, the production of a valid registration establishes *prima facie* validity of the copyright, which shifts the burden to defendant to challenge the copyright's validity. *Durham Indus., Inc.*, 630 F.2d at 908. Quoting the Legislative History of the Copyright Act of 1976, the court in *Carol Barnhart Inc. v. Economy Cover Corp.*, 773 F.2d 411 (2d Cir.1985), noted that the "presumption of validity" extended to the copyright registration " 'merely orders the burdens of proof. The Plaintiff should not ordinarily be forced in the first instance to prove all of the multitude of facts that underline the validity of the copyright unless the defendant, by effectively challenging them, shifts the burden of doing so to the Plaintiff.' " 773 F.2d at 414 (quoting House Report, *supra*, 1976 U.S.C.C.A.N. at 5773). The burden placed on the defendant once the registration is submitted "varies depending on the issue bearing on the validity of the copyright." *Masquerade Novelty, Inc. v. Unique Indus., Inc.*, 912 F.2d 663, 668 (3rd Cir.1990).

Defendants challenge the validity of Plaintiff's registration by stating that it was improper for Plaintiff to have filed the work as a collection. Registration of multiple works as a single collection is permitted under 17 U.S.C. § 408(c) and the applicable regulations, which permit an applicant for a copyright registration to file a

collection of works under a single certificate of registration provided, *inter alia*, the elements of the collection "are assembled in an orderly form." 37 C.F.R. § 202.3(b)(3)(i)(B).[12] Although Plaintiff asserts that its registration is valid under this provision, "[w]here other evidence in the record casts doubt on the question [of the validity of the copyright], validity will not be assumed." *Durham Indus., Inc.*, 630 F.2d at 908; *Merritt Forbes & Co. Inc. v. Newman Investment Securities, Inc.*, 604 F.Supp. 943, 948 (S.D.N.Y.1985) (same).

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[12] 37 C.F.R. § 202.3(b)(3) provides as follows:

> Registration as a single work. (i) For the purpose of registration on a single application and upon payment of a single registration fee, the following shall be considered a single work:
>
> * * *
>
> (B) In the case of unpublished works: all copyrightable elements that are otherwise recognizable as self-contained works, and are combined in a single unpublished "collection." For these purposes, a combination of such elements shall be considered a "collection" if: (1) The elements are assembled in an orderly form; (2) the combined elements bear a single title identifying the collection as a whole; (3) the copyright claimant in all of the elements, and in the collection as a whole, is the same; and (4) all of the elements are by the same author, or, if by different authors, at least one of the authors has contributed copyrightable authorship to each element. Registration of an unpublished "collection" extends to each copyrightable element in the collection and to the authorship, if any, involved in selecting and assembling the collection.

Id.

Here, defendants assert that it is impossible to determine from Plaintiff's copyright registration the contents of the registered work because, in accordance with 37 C.F.R. § 202.20(c)(2)(vii)(A), which allows for deposit of the first and last twenty-five pages of a copyrighted computer program, Plaintiff only registered the first group of pages of the *first* "module" of the collection and the last group of pages of the last "module".[13] Defendants correctly point out that Plaintiff's mass filing of the source code as a single collection without sufficient identifying materials failed to identify the works that are the subject of the copyright. Because Plaintiff's copyright registration fails to identify the material covered by the copyright, sufficient doubt has been cast on the validity of the copyright registration, *see Grundberg v. Upjohn Co.*, 137 F.R.D. 372, 386 (D.Utah 1991),[14] and thus "validity will not be assumed." *Durham Indus., Inc.*, 630 F.2d at 908.

Similarly, a review of the Plaintiff's description of the copyrighted work reveals that it fails to show that the software collection is "assembled in an orderly form" as required by the regulation. 37 C.F.R. § 202.3(b)(3).[15]

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[13] According to Plaintiff's submissions, these modules are themselves made up of other programs. (Wolf Aff. at ¶ 5.)

[14] In *Grundberg*, the court found that it was appropriate to invalidate the copyright registration there because the applicant had filed the work as a collection but had failed to describe the contents of the work for which copyright protection was asserted. 137 F.R.D. at 386.

[15] The only evidence offered in this regard is Plaintiff's conclusory allegations that "[t]he three modules are packaged together and considered a single work not only because they are used for the same purposes – maintenance and service of Fonar

Indeed, Plaintiff's self-serving and superficial descriptions of the different "modules" of the subject software, no matter how often Plaintiff repeats them, do not provide any basis for the court to rule that these are organized in an orderly form as required by the statute.[16]

Accordingly, when such deep doubt is cast on the validity of the copyright for the reasons set forth above, Plaintiff loses the benefit of *prima facie* validity otherwise granted it with the presentation of a registration, and must prove the " 'multitude of facts' " necessary to prove the validity of its copyright: e.g., originality and copyrightability. *Carol Barnhart Inc. v. Economy Cover Corp.*, 773 F.2d at 414 (citation omitted). *See also Durham Indus., Inc., supra,* 630 F.2d at 908-911 (holding works lacked originality to warrant finding of copyright protection even after submission of copyright registration); *Tempo Music, Inc., v. Famous Music Corp.*, 838 F.Supp. 162, 167-172 (S.D.N.Y.1993) (analyzing work for copyrightability and originality after submission of copyright registration); *Grundberg v. Upjohn Co., supra;*[17] *cf. plains Cotton Co-op.*

MRI scanners – but also because there are several service functions which require interaction between modules." Wolf Aff. at ¶ 7. Although this may show that Plaintiff considers this a single work, it fails to show that the collection is organized in an orderly fashion as required by the regulation in question.

[16] Indeed, the registration certificate bears an even more superficial description of the work, simply setting forth the titles of the sections of the Maintenance Software. *See* Copyright Registration, Shiff Aff. at Ex. E.

[17] In *Grundberg, supra,* the district court found the holder of the copyright in that case, defendant Upjohn, had failed to meet

Ass'n v. Goodpasture Computer Service, Inc., 807 F.2d 1256, 1260 (5th Cir.) (holding ownership of copyright "is shown by proof of originality, copyrightability, and compliance with applicable statutory formalities."), *cert. denied*, 484 U.S. 821, 108 S.Ct. 80, 98 L.Ed.2d 42 (1987); *L. Batlin & Son, Inc. v. Snyder*, 536 F.2d 486 (2d Cir.) (en banc) (upholding preliminary injunction compelling appellants to cancel recordation of a copyright for failure to show sufficient originality to warrant copyright protection), *cert. denied*, 429 U.S. 857, 97 S.Ct. 156, 50 L.Ed.2d 135 (1976).[18]

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the factors listed in 37 C.F.R. § 202.3(b)(3) and thus the registration was "fatally defective." 137 F.R.D. at 385.

The court found further as follows:

> A copyright claimant may not obtain a valid copyright certificate, and the copyright office may not effectively approve registration for such under 17 U.S.C. § 408(c) and 37 C.F.R. § 202.3(b)(3)(i)(B) (1990), where documents sought to be copyrighted are represented to be part of a single collection, embracing some documents which are not copyrightable, mixed in and listed indiscriminately with copyrightable documents and where the copyright application provides no reasonable or workable means for determining what documents in fact constitute the "single unpublished collection."

137 F.R.D. at 384-385. The court went on to determine that Upjohn had failed to establish the requisite ownership and originality in its work to enjoy copyright protection. *Id.* at 387-388.

[18] Plaintiff's reliance on the district court's decision in *Altai, Inc.*, 775 F.Supp. 544, 556 (E.D.N.Y.1991), *aff'd* 982 F.2d 693, 705 (2d Cir.1992), to support its questionable registration practices is misplaced. There, the court noted that Plaintiff was entitled to register a single program without registering

Upon review of the record, the court finds as a matter of law that the cryptic definition of the Maintenance Software upon which Plaintiff relies, which fails to indicate that the work is copyrightable in any way, is insufficient to serve as a basis for the instant copyright action. Nowhere does Plaintiff set forth with any particularity the elements of the work or the originality or uniqueness of its functioning. Without introducing a genuine issue of material fact on the issue of copyrightability, Plaintiff cannot establish the first element of a copyright case: i.e., ownership of a valid copyright.[19] Any other issues of fact

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separately each of the sub- and sub- sub-programs in order to obtain copyright protection for the entire body of the work. From the discussion in the district court's opinion, it does not appear that Plaintiff there tried to register dozens of programs as a collection. Moreover, the district court's opinion does not mention the extent of the deposited work. Plaintiff here, as best the court can determine, registered a series of programs under three "modules" and only deposited the first 29 pages of the first program of the first module and the last 34 pages of the last program of the last module.

[19] Plaintiff's self-serving and cryptic definition failed to serve any legitimate function after the filing of the complaint in the instant suit other than to frustrate the defendants' and the court's efforts to narrow the issues for trial. This definition fails in any way to identify and distinguish the elements of the work that would not otherwise fall outside the protections offered under the copyright laws under well-established doctrines of copyright law. *See, e.g., Gates Rubber Co.*, 9 F.3d at 838 (defining doctrine of "merger" under which courts deny copyright protection to "expression that is inseparable from or merged with the ideas, processes, or discoveries underlying the expression" and similar "scenes a faire" doctrine under which courts will not extend copyright protection to "expressions that are standard, stock, or common to a particular topic or that necessarily follow from a common theme or setting").

that may be raised by Plaintiff are necessarily immaterial. *Celotex Corp.*, 477 U.S. at 323, 106 S.Ct. at 2552-53.

B. Copying of the protected Elements of Plaintiff's Work.

Similarly, Plaintiff cannot prove the second element of a copyright case: i.e., that copying of the constituent copyrighted material occurred. Instead of providing the court and defendants with a meaningful definition of the work in question, Plaintiff basically adhered to the cursory definition set forth in the original complaint. Moreover, counsel for Plaintiff even admitted that Plaintiff could not detail the specific programs that were purportedly infringed. (R. at 64.)

Even assuming then – as Plaintiff alleges in opposition to this motion – that defendants have copied the entire "Maintenance Software" here, Plaintiff has failed to show that it can meet its burden of proving that such copying was carried out with regard to protectible elements of the copyrighted work. In other words, if Plaintiff has not shown that its work contains protectible elements, it obviously cannot show that these protectible elements have been copied in such a way that the statute forbids. As set forth above, *supra* § II., Plaintiff must prove "copying of constituent elements of the work that

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Identifying the ways in which a copyrighted work – especially one concerning functional computer software – does not fall under these basic doctrines is an elementary obligation of a litigant in this type of action. Plaintiff's silence on this fundamental burden speaks volumes about its inability to establish a case of copyright infringement.

are original." *Feist Publications, Inc.*, 499 U.S. at 361, 111 S.Ct. at 1295-96. Here, Plaintiff has failed to raise a genuine issue of fact in this regard because it has failed to identify the constituent elements of the subject work. Without doing so, Plaintiff cannot overcome the instant motion with regard to the second element of its case.

C. Plaintiff's Other Arguments.

Two cases upon which Plaintiff relies which deserve some discussion here are distinguishable upon several grounds.[20] In *Triad Systems Corp. v. Southeastern Express*

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[20] Plaintiff also cites several other cases that simply do not assist its case: *Vault Corp. v. Quaid Software Ltd.*, 847 F.2d 255 (5th Cir.1988) (holding defendant's wholesale copying of work did not constitute copyright infringement under the Act); *Advanced Computer Services v. MAI Systems Corp.*, 845 F.Supp. 356, 365-366 (E.D.Va.1994) (recognizing that wholesale copying does not preclude finding of fair use); *ISC-Bunker Ramo Corp. v. Altech, Inc.*, 765 F.Supp. 1310 (N.D.Ill.1990) (confirming Magistrate Judge's report that found defendant liable for copyright infringement where its versions of Plaintiff's copyrighted software that it routinely used and distributed were identical to Plaintiff's software without addressing issue of copyrightability); *Micro-Sparc, Inc. v. Amtype Corp.*, 592 F.Supp. 33, 34 (D.Mass.1984) (holding defendant liable for copyright infringement where it "input" printed command codes into computer disk by typing programs published in magazine and distributed them when such programs were produced for purchasers of magazine); *Apple Computer, Inc. v. Formula Intern. Inc.*, 562 F.Supp. 775 (C.D.Cal.1983) (recognizing that computer programs are protected generally under the Act and finding that Plaintiff was not trying to copyright ideas but rather its own expression), *aff'd* 725 F.2d 521, 525 (9th Cir.1984) (noting that Plaintiff "seeks to copyright only its particular set of instructions, not the underlying computer process").

Co., 64 F.3d 1330 (9th Cir.1995), the court reviewed a district court's issuance of an injunction against a defendant therein that was a service contractor for Plaintiff's computer systems. In *Triad Systems*, however, the court did not reach the issue determined herein, i.e., that constitutive elements of the software had to be copied in order for there to be a finding of copyright infringement. Instead, the court simply assumed that illicit copying had occurred based on Plaintiff's allegations that defendant's servicing of Plaintiff's computers necessarily entailed copying the entire body of software at issue. The court found that these allegations were sufficient to establish a prima facie case of copyright infringement, justifying the issuance of an injunction against the activity. 64 F.3d at 1335. Given the procedural posture of the instant matter, however, the court will not make the same assumption. Similarly, in *MAI Systems Corp. v. peak Computer, Inc.*, 991 F.2d 511 (9th Cir.1993), *cert. dismissed*, ___ U.S. ___, 114 S.Ct. 671, 126 L.Ed.2d 640 (1994), defendant service company admitted copying the entire copyrighted operational software as they serviced Plaintiff's computers, *Id.* at 518, and the only relevant issue there was whether such use constituted copyright infringement and not whether constituent elements of the work were copied. *Id.*

Here, the vague and at times internally inconsistent definition proffered by Plaintiff failed to differentiate between the uncopyrighted and copyrighted elements of the software; moreover, the definition failed to describe the copyrightable elements of the work. The particular facts of this case, as distinguished from those in the cases outlined above, warrant inquiry into the superficial

description of the purportedly copyrighted work in order to determine if Plaintiff can establish a case of copyright infringement. The precedents cited by Plaintiff do not liberate it from its obligation to raise a genuine issue of material fact with regard to the basic elements of its claim. Plaintiff's failure to do so warrants dismissal of its case. *Repp v. Lloyd Webber,* 858 F.Supp. at 1300.

IV. JURISDICTION OVER PLAINTIFF'S STATE LAW CLAIMS.

For the reasons set forth above, the federal claims in this action must be dismissed. Accordingly, the supplemental state law claims based on unfair competition should also be dismissed. 28 U.S.C. § 1338(b); *Historical Truth prod., Inc., v. Sony pictures Entertainment, Inc.,* 93 Civ. 5529, 1995 WL 693189, at *14 (November 22, 1995, S.D.N.Y.) (holding federal court's jurisdiction over state law claims of unfair competition conferred by 28 U.S.C. § 1338(b) is "conditioned on viability of the copyright claim" and once the copyright claim is dismissed, § 1338 "no longer confers jurisdiction over any of the remaining claims"). *Cf.* 28 U.S.C. § 1367(c); *United Mine Workers v. Gibbs,* 383 U.S. 715, 726-727, 86 S.Ct. 1130, 1139-40, 16 L.Ed.2d 218 (1966) (holding court should decline to hear supplemental state law claims after dismissal of federal claims upon which jurisdiction is based).

CONCLUSION

For the reasons set forth above, the motion for summary judgment is granted.

Order

For the reasons set forth in the accompanying Opinion filed simultaneously herewith, defendants' motion for summary judgment is GRANTED and the complaint dismissed in its entirety.

SO ORDERED.

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT
UNITED STATES COURT HOUSE
40 FOLEY SQUARE
NEW YORK 10007

GEORGE LANGE III
CLERK

At a stated term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse, Foley Square, in the City of New York, on the 3 day of April one thousand nine hundred and ninety-seven.

Fonar Corporation

Plaintiff-Counter-Defendant-Appellant
Dkt No: 96-7919

v (Filed Apr. 3, 1997)

Magnetic Resonance

Defendants-Counter-Claimants-Appellees

A petition for rehearing containing a suggestion that the action be *reheard* in banc having been filed herein by the appellee Robert Domenick et al.

> Upon consideration by the panel that decided the appeal, it is Ordered that said petition for rehearing is **DENIED.**

It is further noted that the suggestion for rehearing in banc has been transmitted to the judges for the court in regular active service and to any other judge that heard

the appeal and that no such judge has requested that a vote be taken thereon.

FOR THE COURT

GEORGE LANGE III, Clerk

By: /s/ Beth J. Meador
Beth J. Meador,
Administrative Attorney

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